

Spy Versus Spy

As recently as April 14 Richard Helms, director of the Central Intelligence Agency, assured the world that "the quality of foreign intelligence available to the United States Government in 1971 is better than it has ever been before." That's all right, the administration has now said, but it costs too much and the overlapping and competition among agencies is wasteful and inefficient. The revelations of former CIA official Victor Marchetti (at one time an aide to the deputy director of CIA) that the combined intelligence budget is \$6 billion puts it a billion or so higher than previous estimates. Over 200,000 employees are involved. Hence the President's new reorganization order. Mr. Helms is to have "enhanced leadership" to bring all the fiefdoms under control.

The White House announcement produced two principal reorganizational tools: (a) a new joint intelligence budget and (b) a new evaluation group, which theoretically will affect the missions in Defense, State, the National Security Agency, and the CIA, to name the most prominent. All intelligence agencies will submit their budgets to Helms instead of to the Bureau of the Budget, and he is to sort out the wheat from the chaff. This is not really a new grant of authority. The National Security Act of 1947 gave two jobs to the CIA director - command of the agency itself, and coordinating responsibility as director of Central Intelligence, chairing the United States Intelligence Board. He also sits on the National Security Council. The idea of central supervision has been there from the start. But the idea has foundered on the realities of power; that is to say, the Pentagon. That outfit is run by the Secretary of a department, while the CIA director is still just the head of an agency. For large overseas operations, as in Vietnam and Laos, CIA is completely beholden to the Pentagon.

Bureaucratically, Helms is also in an unfavorable position, although this may not have been the President's intention. Helms will make his combined budget recommendations not directly to the National Security Council, but to a new National Security Intelligence Committee, headed by Henry Kissinger. The reorganization scheme struck Senators Symington and Fulbright as an attempt to wrest from Congress its oversight responsibilities in intelligence matters. Kissinger is inaccessible in the White House, protected from congressional questioning by executive privilege.

Kissinger gains more power through the other presidential innovation, the Net Assessment Group headed by Anthony Marshall in Kissinger's office. This group's task is to define the situation for the United States vis-à-vis the great powers, or any other problem it wants to designate as a crisis. Vigorously pur-

sued, this concept obviously will change the mission and emphasis of the various intelligence agencies. Some will wax, other wane. But they'll still compete. Rep. Nedzi, head of the subcommittee on intelligence oversight for the House Armed Services Committee, has been looking up and down the well-shaded streets of the Intelligence Community and finds that, "There is indeed real competition among the various agencies." He is not certain Helms' budget authority will do anything more than feed interagency suspicions. There will be the argument that intelligence requires compartmentalization at the cost of efficiency, that budget control will mean a monolithic intelligence voice instead of healthy if costly rivalry. Nedzi is concerned but philosophical, gearing up for his duties by going back to the basics set forth in Compton McKenzie's spoof on British intelligence, *Water on the Brain*. In that classic the fictitious Sir William Westmacott, head of the Security of the Realm, is addressing a new recruit. "After all, the whole point of the secret service is that it should be secret."

STATINTL

HELMES TOLD TO CUT GLOBAL EXPENSES

Nixon Order Aims at Better Intelligence Gathering

By BENJAMIN WELLES
Special to The New York Times

WASHINGTON, Nov. 6

President Nixon has given Richard Helms, his Director of Central Intelligence, new orders—and new authority—to trim costs and improve the output of the nation's global intelligence system.

In a statement issued yesterday by the White House—under circumstances strongly suggesting it was designed to attract as little public notice as possible—Mr. Nixon disclosed details of a far-reaching reorganization.

Intelligence experts here believe that Mr. Helms, armed with his new Presidential backing, may be able in the coming months to cut \$1-billion from the \$5-billion to \$6-billion that the United States spends yearly to ascertain, with sky satellites, electronic eavesdropping, secret agents and other sources, Soviet and Chinese Communist military developments.

The reorganization plan, which has been under study at the Office of Management and Budget for at least a year, makes three main changes, informants say:

1. It gives Mr. Helms, who is 53 years old, the first authority ever given an intelligence chief to review—and thus affect—the budgets of all the nation's foreign intelligence agencies as well as the Central Intelligence Agency, which he will continue to head. The other agencies include units within the Defense and State Departments, the Atomic Energy Commission and the Federal Bureau of Investigation.

2. It will free Mr. Helms from much day-to-day responsibility for espionage, counter-espionage and such covert operations as the White House periodically orders through its secret "Forty Committee."

This committee, named for a numbered memorandum, includes Henry A. Kissinger, the White House national security assistant, Attorney General John N. Mitchell, Under Secretary of State John N. Irwin 2d, Deputy Defense Secretary David Packard, Adm. Thomas H. Moorer, chairman of the Joint Chiefs of Staff, and Mr. Helms.

Mr. Helms's duties here will be assumed by his deputy, Lieut. Gen. Robert E. Cushman, Jr.

3. It creates a new intelligence subcommittee under the National Security Council with the aim of tailoring the daily "product" garnered by the nation's vast overseas intelligence network closer to the needs of the "consumers". President Nixon and his top staff.

Presumably, intelligence sources say, the Forty Committee will be merged into the council's new subcommittee since the membership of each is identical.

Not Always Responsive

"The President and Henry [Kissinger] have felt that the intelligence we were collecting wasn't always responsive to their needs," said one source. "They suspected that one reason was because the intelligence community had no way of knowing day to day what the President and Kissinger needed. This is a new link between producers and consumers. We'll have to wait and see if it works."

Mr. Kissinger will add the chairmanship of the new subcommittee to several others he already holds.

Another development in the president's reorganization is the creation of a "net assessment group" inside Mr. Kissinger's National Security Council staff. It will be headed by Andrew M. Marshall, a consultant with the Rand Corporation of Los Angeles.

"Net assessment means comparing over-all U.S.S.R. forces and capabilities with those of the U.S.," said an American intelligence expert. "It's as complicated a calculus as exists. We in the intelligence world often know more about Soviet forces and capabilities than we do about our own—and this new group is intended to pull it all together in one place for the President."

Resources Committee

Under the new plan Mr. Helms will also head an Intelligence Resources Advisory Committee on which will be represented the state and Defense Departments, the office of Management and Budget and the C.I.A.

The white house announcement said that the committee will "advise the D.C.I. on the preparation of a consolidated program budget." This, in the view of experts, is Mr. Helms's new authority to supervise and, at least partly, control the work involved in collecting intelligence.

The Pentagon spends \$3-billion yearly on intelligence if all its activities are counted, said one source.

"This is 80 per cent of everything the United States spends for intelligence," he said. The President hasn't given Helms control of the D.O.D.'s intelligence budget, but at least he can now see it and advise on it before it's presented as a fait accompli."

STATINTL
STATINTL

Intelligence Under Kissinger's Wing

By GEORGE SHERMAN
Star Staff Writer

President Nixon's drastic reordering of the intelligence community brings still more power to that White House adviser-extraordinaire—Henry A. Kissinger.

People most intimately involved see the erstwhile professor's passion for order and efficiency triumphing.

On one level CIA Director Richard Helms was given a mandate to become director of all American intelligence in fact, as well as in name.

But on the White House level, Kissinger was put at head of the new "National Security Council Intelligence Committee" providing "guidance and direction" to Helms.

In other words, under the reshaping ordered Friday, Helms has the job of coordinating the work of the often-warring intelligence agencies, inside and outside the Pentagon. For the first time, with an expanded personal staff, he will be in charge of drawing up one intelligence budget—now unofficially reckoned at \$5 billion yearly.

Kissinger at Helm

But the direction in which his machine goes will be determined by Kissinger's committee. This group, of which Helms, Attorney General John N. Mitchell, undersecretaries from the State and Defense Departments, and the chairman of the Joint Chiefs of Staff also are members, will determine the intelligence assessments which get to President Nixon.

The new committee is simply the latest addition to that national security council system. Kissinger has systematically set up in almost three years in the White House. It is roughly akin to the Senior Review Group, which Kissinger also heads, responsible for filtering the foreign policy options which reach the President.

According to most insiders, this Review Group has been the vehicle for Kissinger's virtually taking control of foreign policy away from more passive Secretary of State William P. Rogers. Interdepartmental groups from the state, defense and other interested departments feed policy options into the Kissinger shop, which reviews them for

Options Discussed

The options also are discussed by the National Security Council—whose chairman is the President, and whose members include the secretaries of State and Defense. Furthermore, the State Department, through Rogers, has the power to submit its own recommendations directly to the President on any given option.

But in nearly three years, Kissinger's driving energy and devotion to detailed staff work—plus his undisputed intellectual power—have given him the upper hand. He and his staff initiate government-wide policy studies, and precious little national security policy is decided by the President against Kissinger's advice.

In the intelligence shake-up the Kissinger apparatus will also get powers at the lower levels. The mechanism is a new Net Assessment Group (NAG) headed by Anthony Marshall, a senior member of Kissinger's White House staff.

"The functions of NAG will be just what the name suggests," said one insider — "to nag the intelligence community."

That means the group is to be responsible for suggesting to Helms & Co. that they should assess what results might flow abroad from any policy under consideration in the White House. Naturally, Kissinger, chairman of the Senior Review Group, will be in a position to know what those possible policies are. So the Kissinger shop becomes practically the coordinator between policy and intelligence.

The job of NAG also will be to produce comparative assessments of the relative strength of various world powers. It will do this by pulling together intelligence estimates from all

over the government—political, military and economic. For instance, NAG would assess the strategic balance between the U.S. and Soviet Union, or between the Arab world and Israel.

All of which adds up to a major new responsibility for Kissinger. It also marks a major step in Nixon's drive to put centralized control over every vital government function in the White House.

STATINTL

Nixon moves to better spy systems' coordination; Kissinger, Helms assigned broader powers

STATINTL

By ARNOOLD R. ISAACS
Washington Bureau of The Sun

Washington—President Nixon moved yesterday to improve coordination among the government agencies involved in foreign intelligence activities.

Part of the plan would tie the intelligence effort more closely into the National Security Council apparatus headed by Mr. Nixon's most influential foreign-policy adviser, Henry A. Kissinger.

The reorganization also will mean that Richard Helms, the director of central intelligence, will turn over many of his agency's day-to-day operations to his deputy and spend more time as the government's general intelligence overseer.

The CIA chief theoretically has been the head of the whole "intelligence community" since the Kennedy administration,

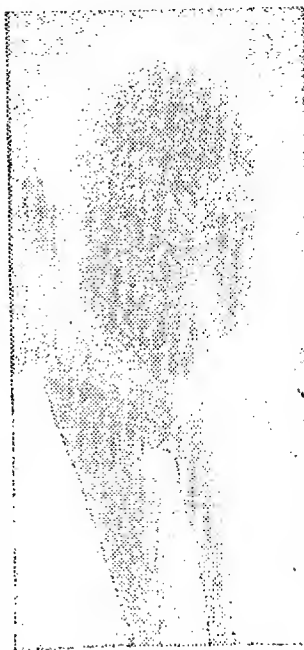
presiding over the United States Intelligence Board. But the limits of his authority never have been defined very precisely.

The White House, announcing the new structures yesterday, said they were designed "to improve the efficiency and effectiveness" of the intelligence agencies, which together employ an estimated 260,000 persons—three-fourths of them military servicemen—and spend about \$5 billion a year.

Mr. Nixon also ordered the creation of a new National Security Council Intelligence Committee, which Dr. Kissinger will head. The committee, the White House said, "will give direction and guidance on national intelligence needs and provide for a continuing evaluation of intelligence products."

This seemed to indicate that the council will have greatly expanded authority over the different agencies.

Within the council's structure a new "net assessment group," also will be created. The group will evaluate intelligence data and make studies on the relative balances of power in the world.



RICHARD HELMS

the world. The unit will be headed by Andrew Marshall, the Rand Corporation's former director of strategic studies.

The CIA director will be given "an enhanced leadership role," serving as chairman of a reconstituted U.S. intelligence board and also heading a new Intelligence Resources Advisory Committee, which will draw up proposals for a consolidated budget for all the intelligence agencies.

Marine in charge

Officials said this means that the CIA's deputy director, Lt. Gen. Robert B. Cushman of the Marine Corps, will take over much of the responsibility for the CIA's own operations.

Government agencies represented on the intelligence board include, beside the CIA, the State Department's Bureau of Intelligence and Research; the Defense Department's National Security Agency, which specializes in code-cracking; the Defense Intelligence Agency, which has separate Army, Navy and Air Force components working on military intelligence; the Treasury Department's FBI and the Atomic Energy Commission.



HENRY KISSINGER

Proposals to revamp the intelligence structure have been floating through the administration for many months. The plan announced yesterday was drafted primarily by the National Security Council staff and the Office of Management and Budget.

2 failures cited

Questions about the present system's effectiveness seemed to center mainly on the Defense Intelligence Agency.

Two notable intelligence failures in Indochina have been cited as causing the failure of an attempt by U.S. troops in November, 1970, to rescue American prisoners of war from the Sontay Prison Camp in North Vietnam and as having hampered the South Vietnamese campaign in Laos last February and March.

In the Sontay attempt, the Army and Air Force raiders landed only to discover that all the P.O.W.'s had been moved out.

In the Laos campaign, the South Vietnamese Army units were sent reeling back

across the border when North Vietnamese forces in the frontier zone proved to be far stronger than had been anticipated.

Approved For Release 2001/03/04 : CIA-RDP80-0

White House Shakes Up Vast Intelligence-Gathering Network

CIA's Helms Seen Possible Czar, Pentagon's Agency
Downgraded as Kissinger and Staff Receive New Powers

BY DAVID KRASLOW

Times Washington Bureau Chief

WASHINGTON — The White House announced Friday a shakeup of the government's massive intelligence bureaucracy that could have major import in enabling the President to assess more accurately any Soviet threat to the United States.

Richard Helms, director of the Central Intelligence Agency, emerges from the long-planned reorganization as an even stronger figure with responsibility for coordinating all intelligence activities. Some sources said Helms' role could develop into that of an intelligence czar.

Henry A. Kissinger, President Nixon's assistant for national security affairs, and the National Security Council staff also are given significant new powers in the shakeup.

Budget-Clearing Procedure

The Pentagon's high Defense Intelligence Agency is downgraded and will be required, along with other intelligence arms of the government, to clear its budget through a new Intelligence Resources Advisory Committee chaired by Helms.

Informed sources said the shakeup reflected the President's unhappiness with the quality of information supplied him on occasion and his belief that the splintered intelligence activities can be coordinated better.

The President also is convinced, it was said, that the government's intelligence bill — reliably estimated at about \$5 billion a year now — is unnecessarily high. Administration officials hope to achieve a saving of at least several hundred million dollars along with greater efficiency.

For years many in Congress and in the executive branch have thought that the government's intelligence effort, because of growth of staff and fragmentation among various agencies, was becoming unmanageable and that the cost was getting out of hand.

The studies that led to Friday's announcement were launched secretly by the National Security

Council more than a year ago.

A major change, which for the first time will give the White House the expert capability to make its own intelligence evaluation of such strategic problems as the Soviet missile threat, is the establishment of the Net Assessment Group within the National Security Council staff.

The group will be headed by a senior staff member. A White House source said that job would go to Andrew W. Marshall, now director of strategic studies at the Rand Corp. in Santa Monica.

The different interpretations that the Pentagon and the CIA have given to the construction of about 90 missile silos in the Soviet Union is expected to be one of the first strategic policy problems to be put before the NAC.

The size of the defense budget and the strategic arms limitation talks with the Russians could be affected by whatever decision the President finally makes regarding the purpose of those still-empty silos.

Pentagon analysts have tended to a more alarmist reading of the silo construction, suggesting the Russians may be developing a new weapons system for offensive purposes.

While not ruling out that possibility, the CIA, it is understood, tends to the view that the silos are designed primarily to afford greater protection for missiles already in being and are therefore defensive.

Thus, where differences arise in the intelligence community on strategic questions, the NAC would be expected to reduce such disputes to manageable proportions for the President.

Helms' strengthened position will derive in large measure from his new authority over what the White House described as a "consolidated intelligence program budget."

Never before has there been a single intelligence budget. Under the present system each agency engaged in intelligence work submits its own budget request to the White House.

Under the reorganization the budget requests will go to the committee chaired by Helms and whose membership will include representatives of the State and Defense departments and the Office of Management and Budget.

Also among the "major management improvements" announced by the White House were:

— "An enhanced leadership role" for the director of central intelligence (Helms) in "planning, reviewing, coordinating and evaluating all intelligence programs and activities, and in the production of national intelligence."

— Establishment of a National Security Council Intelligence Committee, chaired by the President's national security assistant (Kissinger), whose membership will include the attorney general, the director of central intelligence, the undersecretary of state, the deputy secretary of defense and the chairman of the Joint Chiefs of Staff.

That committee is to "give direction and guidance on national intelligence needs and provide for a continuing evaluation of intelligence products from the viewpoint of the intelligence user."

STATINTL

STATINTL

PHILADELPHIA, PA.
INQUIRER

M - 463,503
S - 867,810

NOV 6 1971

CIA Director Is Appointed by President To Overhaul U.S. Intelligence Operations

WASHINGTON (UPI). -- The White House announced on Friday President Nixon has ordered an overhaul of the government's intelligence operations, assigning Richard Helms, director of the Central Intelligence Agency, a broader overall supervisory role.

Administration officials said that Helms would be freed from some operational responsibilities at the CIA and assume "community-wide responsibilities" in the U.S. foreign intelligence gathering operations.

The White House announce-



RICHARD HELMS

... wider responsibility

ment listed these specific steps:

—HELMs WILL assume "enhanced leadership" in

planning, reviewing, coordinating and evaluating all intelligence programs and activities.

—AN INTELLIGENCE committee will be set up within the National Security Council which will be headed by Dr. Henry A. Kissinger, Presidential adviser on national security affairs. The committee will include the CIA director, the attorney general, the under secretary of state, the deputy secretary of defense and the chairman of the joint chiefs of staff.

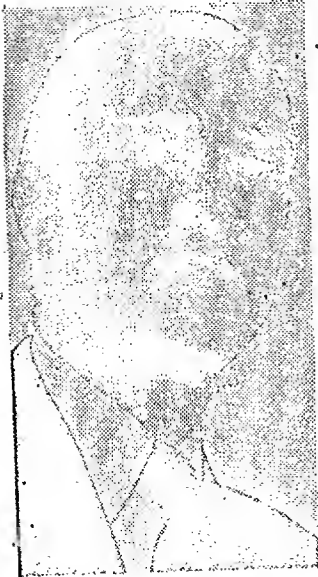
—A "NET ASSESSMENT

group" will be established within the national security council which will be responsible for reviewing and evaluating all intelligence.

—AN "INTELLIGENCE resources advisory committee," headed by Helms, will advise on the preparation of a consolidated intelligence program budget.

The White House said that a national cryptologic command, a code-breaking organization, would be set up under the National Security Agency to consolidate work now being carried out in different agencies.

6 NOV 1971



RICHARD HELMS
... intelligence chief



GEN. ROBERT CUSHMAN
... new CIA duties

Helms to Oversee U.S. Spy Network

By Don Oberdorfer
Washington Post Staff Writer

President Nixon announced a long-awaited reorganization of the U.S. intelligence community yesterday creating a government-wide coordinating role for CIA Director Richard Helms and bringing military agencies under closer civilian control.

The overhaul was ordered following what the White

House called "an exhaustive study" of the far-flung foreign intelligence agencies of the U.S. government. The various agencies are unofficially reported to employ 200,000 persons and to cost \$5 billion yearly.

The aim of the reorganization, according to the White House announcement, is to improve "efficiency and effectiveness." Although the statement did not say so, high-ranking officials are known to feel that the military intelligence apparatus had grown too large and costly in comparison to the amount of useful information it produces.

There also have been reports that the President and senior aides were unhappy with the military intelligence planning which went into the abortive Sontay prison raid and the South Vietnamese incursion. House officials denied yesterday

that reorganization is in response to dissatisfaction about particular estimates or reports.

One of the principal changes announced yesterday is the creation of a consolidated foreign intelligence program budget for the entire government, to be supervised by a high-ranking committee under Helms. Officials said Helms would be empowered to dip into any intelligence agency, civilian or military, for information to justify elements of its budget.

According to the announcement, Helms is being granted "an enhanced leadership role ... in planning, reviewing, coordinating and evaluating all intelligence programs and activities, and in the production of national intelligence."

Helms has been instructed to reorganize his own office

he may assume his new government-wide responsibilities, officials said.

He will turn over many of his operating responsibilities for the Central Intelligence Agency to his deputy director, Marine Lt. Gen. Robert E. Cushman Jr.

Cushman served four years as the national security aide of then-Vice President Nixon from 1957 to 1960, and is considered close to Mr. Nixon.

Helms will become chairman of a reconstituted U.S. intelligence board to consider national intelligence requirements and priorities, the security of intelligence data and the protection of intelligence sources and methods.

Other members of the board will be Cushman, the chiefs of the major intelligence agencies of the Defense and State Departments and representatives of the Treasury Department, Federal Bureau of Investigation and Atomic Energy Commission.

Two elements of the reorganization appear to give greater control to the National Security Council staff under presidential assistant Henry A. Kissinger.

A new NSC intelligence committee, headed by Kissinger and including Attorney General John N. Mitchell and other high officials, has been established to give "direction and guidance" on national intelligence needs and evaluate the usefulness of the information received from the user's point of view.

At the NSC staff level, the reorganization created a new net assessment group to be headed by Anthony Marshall, former director of strategic studies of the Rand Corp. NAG, as it is known, will produce White House assessments of the relative strategic balance between major powers, as well as assessments of intelligence quality.

The assessment of the strategic balance is a critical factor in the battle over future military budgets. U.S. military leaders, intelligence services and some outsiders have expressed anxiety about a large Soviet buildup of strategic arms and are calling for ex-

The White House announcement also said that Mr. Nixon has ordered three consolidations in the Pentagon's intelligence organization:

- A national cryptologic command to consolidate all communications intelligence activities under the director of the National Security Agency, the monitoring and codebreaking agency with headquarters at Fort Meade, Md.

- An office of Defense investigations, to consolidate all personnel security investigations in the Defense Department.

- A Defense map agency to combine the now separate mapping, charting and geodetic organizations of the military services.

Officials said the reorganization is "not a plan to save money," but they expressed optimism that some funds will be saved through the various new controls and consolidations.

STATINTL

STATINTL

STATINTL

Spending at Heart of Spying Shakeup

STATINTL

By ORR KELLY
Star Staff Writer

The creation of a consolidated intelligence program budget is at the heart of the intelligence shakeup ordered by President Nixon, informed sources say.

Preparation of the intelligence budget should for the first time give the President and other top officials a clear picture of how much is being spent for intelligence, where it is being spent and what it is buying, those officials said.

Richard Helms, who now is head of the Central Intelligence Agency, will be responsible for preparation of the budget as part of what the White House announcement said would be his "enhanced leadership role" in the intelligence field.

Not 'Intelligence Czar'

Informed officials cautioned, however, that the changes ordered by the President would not make Helms an "intelligence czar" in the sense that he will tell the heads of other intelligence agencies within the government how to run their jobs. His control over the pursestrings will, however, give him much more control of the over-all intelligence activities of the government than he has had in the past.

The changes ordered by Nixon also give his assistant for national security affairs, Henry Kissinger, an enhanced role in the intelligence field by making him chairman of a new National Security Council Intelligence Committee—one of a growing number of similar committees he heads.

A new Net Assessment Group will be under Kissinger. Its job is to review and evaluate all the products of intelligence work

and to make comparative studies of American and Soviet capabilities. It will be headed by Andrew Marshall, a member of the National Security Council staff.

The changes, designed to bring greater control over the estimated \$5 billion a year spent and 200,000 people who work on intelligence, have been the subject of a lengthy dispute within the administration.

Packard Unimpressed

In a press conference Thursday, the day before the changes were announced at the White House, Deputy Defense Secretary David Packard, one of the most outspoken government officials, indicated he was not entirely pleased by the way the struggle had worked out.

"There have been people thinking if we just had someone over in the White House to ride herd on this over-all intelligence that things would be improved," he said. "I don't really support that view. After having experience with a lot of people in the White House the last couple of years, trying to coordinate all kinds of things, I think if anything we need a little less coordination from that point than more. But that's my own personal view."

Because the Defense Department spends most of the money and employs most of the people and machines involved in intelligence, the changes will have a major impact there.

Consolidation Is Key

The President ordered the consolidation of all Defense Department security investigations into a single Office of Defense Investigations and the consolidation of all mapping and charting activities into a Defense Map Agency. Defense officials

said these two changes won't be much of a problem.

But they said the order to set up a National Cryptologic Command under Vice Adm. Noel Gayler, director of the National Security Agency, would "take some doing" because the Defense Department's code-breaking activities now are so fragmented.

Similarly, they said, the Defense Department faces some difficulties in reorganizing its tactical intelligence—the information used by field commanders rather than top officials in Washington.

National Terms

Although the tendency is to think in terms of national intelligence—the kind of information on which the President bases major decisions, for example—the bulk of the intelligence gathered by the various agencies is of a tactical nature, involving such things as the day-to-day movements of potentially hostile ships.

The White House said Helms a career intelligence officer, would turn over most of his CIA operational responsibilities to his deputy, Marine Lt. Gen. Robert E. Cushman Jr., so he can devote more time to the leadership of the over-all intelligence community.

Rep. Lucien N. Nedzi, D-Mich., chairman of a House Armed Services subcommittee that has been looking into the nation's intelligence operations, said his concern is that the changes ordered by the President place an added burden on Helms who, he said, already has a "super-human job."

"One wonders if any human is capable of that kind of responsibility," he said.

STATINTL